

Time: 2 1/2 Hours

Total Marks: 75

N.B. 1) All question are compulsory.

2) Figures to the right indicate full marks.

**Q1. A. Multiple choice question (Any eight)**

(8)

1. The periodic payment made by the borrower to the lender is called \_\_\_\_\_.  
(a) Principal (b) Simple Interest (c) EMI (d) Compound Interest
2. There are usually \_\_\_\_ parties to a cross-border factoring transaction.  
(a) Four (b) Three (c) Two (d) One
3. Merchant bankers must register with \_\_\_\_\_.  
(a) RBI (b) SEBI (c) IRDA (d) NABARD
4. The concept of securitization is associated with \_\_\_\_\_.  
(a) Capital Market (b) Money Market  
(c) Debt Market (d) Foreign Exchange Market
5. In pledge, the \_\_\_\_\_ takes actual possession of assets.  
(a) Borrower (b) Seller (c) Lender (d) Broker
6. Money Market Mutual Funds invest mainly in \_\_\_\_\_.  
(a) Long-term assets (b) Short-term assets  
(c) Short-term debt funds (d) Short-term equity funds
7. Mutual funds are very popular in \_\_\_\_\_.  
(a) India (b) UK (c) Japan (d) USA
8. Which of these is a regulatory body \_\_\_\_\_.  
(a) Debt (b) RBI (c) Credit rating agencies (d) Stock broker.
9. A person who agrees to buy an asset at a future date has gone \_\_\_\_\_.  
(a) Long (b) Short (c) Back (d) Ahead
10. National housing bank is a fully owned subsidiary of \_\_\_\_\_.  
(a) HDFC (b) RBI (c) HSBC (d) HUDCO.

**B. State whether the following are true or false: (any 7)**

(7)

1. Loan syndication is a free based activity.
2. International factoring is also known as four-factor system.
3. Merchant banks deals with funds raised through money market and capital market.
4. AMFI stands for associations of mutual funds in India.
5. In hypothecation, possession and ownership remain with the borrower.
6. Gilt funds do not carry credit risk.
7. IPO stands for initial public offer.
8. Housing is the basic need of human beings.
9. A combination of forwards by counterparties with matching needs is called forward.
10. Commercial banks and credit union are sources of consumer finance.

**Q2.** A. What are the major challenges faced by the financial service sector in India? (8)  
B. What do you mean by financial innovation? Explain its causes. (7)

**OR**

C. What is merchant banking? Explain any four services rendered by merchant bankers. (8)  
D. What are the key features of merchant bankers? (7)

**Q3.** A. What is a Mutual Fund? Explain its advantages. (8)  
B. Explain the different objectives of AMFI. (7)

**OR**

C. Differentiate between factoring and forfeiting (any five points). (8)  
D. What is factoring? Explain different types of factoring. (7)

**Q4.** A. State and explain any four merits and four demerits of securitization. (8)  
B. Define securitization and explain its process (modus operandi). (7)

**OR**

C. Explain the types of financial derivatives with examples. (8)  
D. Explain advantages and disadvantages of future contract. (7)

**Q5.** A. Briefly explain the sources of consumer finance. (8)  
B. Explain the major issues of Housing Finance. (7)

**OR**

**Q5 Short Notes (any 3)** (15)

- a. NSDL
- b. NHB
- c. Factoring vs. Bill discounting
- d. Fund-based vs. Fee-based services
- e. Derivatives in India

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BBT 16/10/2025

**Duration: 2.5 hours**

**Marks-75**

**Note: 1) All questions are compulsory.**

**2) Working Notes should form part of your answer.**

3) Figures to the right indicate full marks

**Q1. A) Select the most appropriate alternatives from those given below and rewrite the statements. (Any 8) (08)**

1. Which of the following is included in the statutory reserves of a Banking Company?
  - Capital Reserve
  - Cash Reserve
  - Revenue Reserve
  - Revaluation Reserve
2. Non-performing assets (NPA) are classified into which categories?
  - Performing, Non-performing, Irregular
  - Standard, Sub-standard, Doubtful, Loss
  - Current, Doubtful, Unrealised
  - None of these
3. Which schedule is mandatory for Insurance Company Final Accounts under IRDA guidelines?
  - Schedule VI
  - Schedule VII
  - Schedule VIII
  - None of these
4. What do Corporate Final Accounts of Insurance Companies primarily include?
  - Trading and Profit & Loss Account
  - Revenue Account, Profit & Loss Account, and Balance Sheet
  - Manufacturing Account and Balance Sheet
  - Only Cash Flow Statement
5. Which of the following is treated as an adjustment item in Company Final Accounts?
  - Provision for Tax
  - Closing Stock
  - Proposed Dividend
  - All of the above
6. Discount on issue of shares is classified as:
  - Revenue Loss
  - Deferred Revenue Expenditure
  - Operating Expense
  - Miscellaneous Income
7. As per AS-3, which method is recommended for Cash Flow Analysis?
  - Direct Method
  - Indirect Method
  - Hybrid Method
  - None of these
8. Whistle-blowing in ethics refers to:
  - Concealing fraud for company benefit
  - Reporting unethical/illegal practices
  - Writing annual reports
  - Encouraging team building
9. IFRS 1 deals with:
  - First-time adoption of IFRS
  - Presentation of Financial Statements
  - Revenue Recognition
  - Accounting for Leases
10. Under IFRS, related party transactions are disclosed in accordance with:
  - IAS 10
  - IAS 18
  - IAS 24
  - IFRS 15

**Q1 B) State weather True or False (Any 7)**

(07)

1. Bills discounted and rediscounted are part of Banking Company accounts.
2. Performing assets are those which have stopped generating income.
3. Insurance companies must prepare accounts as per Companies Act only, ignoring IRDA.
4. Listed insurance companies are required to follow accounting policies from annual reports.
5. Provision for tax is not considered while preparing Final Accounts of Companies.

6. Capital expenditure included in revenue expenditure must be adjusted in final accounts.
7. AS-3 recommends both direct and indirect methods equally for Cash Flow Analysis.
8. Ethical behaviour of accountants has implications for corporate governance.
9. IFRS 1 relates to the transition to IFRS for the first time.
10. Related party disclosures are irrelevant under IFRS.

Q. 2 A. On 31<sup>st</sup> March 2025, the following balance stood in the books of ACC Bank Ltd. (15)

	Rs.'000		Rs.'000
Share capital	7,000	Reserve fund	4,900
Current account (credit)	1,12,000	Fixed deposit accounts	
Money at call & short notice		Savings bank account	13,300
Profit & loss account (credit 1-4-2024)	4,200	Investment (at cost)	42,000
Land & building	2,940	Dividend for 2024	
Cash with RBI	14,890	Cash in hand	700
Cash with other banks	21,000	Loans, overdrafts & cash credit	840
Bills discounted & purchased	18,200	Borrowings from other banks	98,000
Unclaimed dividend	8,400	Sundry creditors	8,800
Acceptance on behalf of customers	420	Bills payable	420
	2,800	Net profit for 2024-25	11,200
			3,360

The net profit is after charging provision for bad debts Rs. 4,20,000, provision for taxation Rs. 14,00,000 & rebate on bills discounted Rs. 70,000. Bill for collection Rs. 1960  
Construct a Balance Sheet of the bank on 31<sup>st</sup> March 2025.

Q. 2 B From the following balances, prepare profit and loss account of Akash Bank Ltd. for the year ended 31<sup>st</sup> March, 2025: (15)

Particulars	Amount	Particulars	Amount
Interest on loans	6,21,600	Interest on FD	6,60,000
Commission received	19,680	Salaries & allowance	1,29,600
Discount on bill discounted	1,00,800	Interest on cash credit	
Interest on current account (cr.)	5,04,000	Rent and Taxes	5,35,200
Interest on overdraft	3,69,600	Director's fees	43,200
Interest on saving bank account	1,63,200	Postage and Telegram	10,080
Locker rent	2,400	Transfer fees	10,320
Sundry charges	4,080		1,680
Depreciation on bank property	12,000		

Other information:

a) Rebate on bills discounted Rs. 22,800

Q.3 A Prepare a Revenue Account in respect of Fire Insurance Business from the following details of Silver General Insurance Company Ltd. For the year ended 31<sup>st</sup> March,2025.

Particulars	Rs.
Reserve for unexpired risk on 1 <sup>st</sup> April,2024 @30%	64,000
Additional Reserve	12,800
<b>Estimated Liability for claims admitted</b>	
On 1 <sup>st</sup> April 2024	12,000
On 31 <sup>st</sup> March 2025	16,000
Claims paid	1,44,000
Legal expenses	4,000
Reinsurance Recoveries	12,000
Medical Expenses	2,000
Bad debts	1,600
Premiums Recovered	1,92,000
Premiums on Reinsurance accepted	12,800
Premiums on Reinsurance ceded	16,800
Commission on Direct Business	18,000
Commission on Reinsurance accepted	800
Commission of Reinsurance ceded	1,200
Expenses of Management	16,000
Interest Divided and Rent	9,600
Profit sale of Investment	1,600

Create a Reserve for unexpired Risk @ 30% of Net Premium. Create an additional Reserve equivalent to the opening balance (15)

OR

Q.3 B From the following information as on 31<sup>st</sup> March,2025. Prepare the revenue account of the Laxmi Insurance Co. Ltd. In respect of fire and marine insurance. (15)

Particulars	Fire Rs.	Marine Rs.
Outstanding claims (opening balance)	40,000	35,000
Claim paid	5,00,000	4,00,000
Reserve for Unexpired risk (opening balance)	2,30,000	3,50,000
Premium received	12,50,000	7,50,000
Agent Commission	25,455	26,554
Expenses management	55,558	45,999
Re-insurance premium (debit)	50,000	1,00,000

Additional Information:

particulars	Fire Rs.	Marine Rs.
Claims outstanding closing balance	50,000	40,000
Premium outstanding closing balance	1,00,000	75,000
Expenses management outstanding closing balance	2,555	4,555

**Q.4 A) From the following relating to the Accounts of Shraddha Ltd., prepare Cash Flow Statement as per AS-3.**

(15)

Balance Sheet					
Liabilities	31.3.25	31.3.24	Assets	31.3.25	31.3.24
	Rs.	Rs.		Rs.	Rs.
Share Capital	10,00,000	8,00,000	Plant and Machinery	7,00,000	5,0,00,000
Reserves	2,00,000	1,50,000	Land and Building	6,00,000	4,00,000
Profit and Loss A/c	1,00,000	60,000	Investment	1,00,000	-
Debentures	2,00,000	-	Sundry Debtors	5,00,000	7,00,000
Provision for Taxation	1,00,000	70,000	Stock	4,00,000	2,00,000
Proposed Dividend	2,00,000	1,00,000	Cash on hand/Bank	2,00,000	2,00,000
Sundry Creditors	7,00,000	8,20,000			
	25,00,000	20,00,000		25,00,000	20,00,000

**Additional Information:**

- (1) Depreciation @ 25% was charged on the opening value of Plant and Machinery.
- (2) During the year one old machine costing Rs. 50,000 (WDV Rs. 20,000) was sold for Rs 35,000.
- (3) Rs. 50,000 was paid towards Income tax during the year.
- (4) The building under construction was not subject to any depreciation.

**OR**

**Q.4 B) The following Balances are extracted from the books of Success Ltd. as on 31st March, 2024:**

(15)

Particulars	Dr. (Rs.)	Cr. (Rs.)
Sales		15,800
Purchase of Materials	6,090	
Share Capital of Rs. 10 each		500
Purchase of Land	1,365	
Leasehold Premises	210	
Debtors	2,315	
Creditors		3,675
Director's Salaries	195	
Wages	840	
Work in Progress on 1-4-2023	295	
Sub-Contractor's Cost	1,050	
Equipment	4,470	
Stock of Materials on 1-4-2023	2,320	
Profit and Loss Account balance on 1-4-2023	295	
Secured Loan		640
Bank Overdraft	525	
Interest on Loan and OD	110	
Depreciation	180	
Salaries	90	
Administration Expenses	735	
Reserves		1,000
<b>Total</b>	<b>21,340</b>	<b>21,340</b>

**Adjustments:**

- (a) Income tax to be provided at 35% of the profits.

(b) The directors propose a dividend of 20%.

(c) Stock of Materials and work in progress on 31st March 2024 were Rs. 350 lakhs and Rs. 70 lakhs respectively.

**You are requested to prepare profit and loss statement of the company as per Revised Schedule III.**

**Q.5 A) What is the importance of ethical behaviour in accounting and financial reporting?**

**B) Explain the need and importance of International Financial Reporting Standards (8)**

**OR**

**Q.5 C. Short Notes (Any 3 out of 5)**

1. Rebate on Bills Discounted
2. Claims and Commission in Insurance Accounts.
3. Objectives of adopting IFRS in India.
4. Classification of cash flow
5. Managerial Remuneration and its disclosure in Company Final Accounts

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BBI 18/10/2025

Time:-2 1/2 Hours

Total Marks:-75

**Note: 1) All questions are compulsory.**

**2) Figures to the right indicate full marks.**

**Q1 (A) Choose the correct alternative from the options given below:- (Any 8) (8)**

1. The primary objective of strategic management is to \_\_\_\_\_.  
a) Maximize employee satisfaction  
b) Achieve organizational goals and objectives  
c) Maintain daily operations  
d) Reduce production cost
2. \_\_\_\_\_ is the first step in the strategic management process.  
a) Strategy implementation  
b) Strategy formulation  
c) Environmental scanning  
d) Strategy evaluation
3. \_\_\_\_\_ is a part of Porter's Five Forces Model.  
a) Bargaining power of suppliers  
b) Leadership style  
c) Corporate social responsibility  
d) Employee turnover
4. Strategic intent is a \_\_\_\_\_ factor affecting strategic choice.  
a) Personal  
b) Objective  
c) Internal  
d) External
5. Research and Development, innovation, etc. is part of \_\_\_\_\_ environment.  
a) Political  
b) Social  
c) Economical  
d) Technological
6. The strategy where a firm focuses on maintaining its current market share and operations without major changes is called \_\_\_\_\_.  
a) Growth strategy  
b) Retrenchment strategy  
c) Stability strategy  
d) Diversification strategy
7. Strategy implementation starts with strategy \_\_\_\_\_.  
a) Communication  
b) Validation  
c) Articulation  
d) Engagement
8. Which of the following is a barrier to strategy implementation?  
a) Clear communication  
b) Resistance to change  
c) Supportive leadership  
d) Adequate resources

9. \_\_\_\_\_ standards indicate the percentage of total product market that company would like to win from competitors.

- Profitability
- Productivity
- Product Leadership
- Market Position

10. SWOT analysis is used to evaluate \_\_\_\_\_.

- Strengths and weaknesses only
- Strengths, weaknesses, opportunities and threats
- Only external factors
- Financial Performance

**(B) State whether the following are True or False: (Any 7)**

**(7)**

1. Strategy formulation is last step in strategy making process.
2. Strategic management is an important part of any business, which helps with strategy formulation and business decisions.
3. Competitive advantage can best be described as perfect competition in the market.
4. BCG matrix is also known as Growth share matrix.
5. Managing director is a part of top management.
6. No change strategy is a type of stability strategy.
7. GAP analysis is a way to assess interest rate risk or liquidity risk.
8. The barriers to strategy implementation can either be by internal or external sources within an organization.
9. Diversification involves expanding into unrelated business areas.
10. A mission statement should be aligned with the company's values and goals.

**Q2. (A) What is strategic management? Explain the steps involved in the strategic management process.**

**(8)**

**(B) What is strategy? State the principles of good strategy.**

**(7)**

**OR**

**Q2. (C) Explain BCG Matrix in detail.**

**(8)**

**(D) List and explain the various levels of strategic management.**

**(7)**

**Q3. (A) What is environmental scanning? Explain the need and importance of environmental scanning.**

**(8)**

**(B) Discuss the impact of legal factors in strategic management.**

**(7)**

**OR**

**Q3. (C) Explain components of business environment.**

**(8)**

**(D) Explain SWOT analysis in detail with example.**

**(7)**

**Q4. (A) Explain the types of corporate level strategies.**

**(8)**

**(B) What are the barriers of strategy implementation?**

**(7)**

**OR**

**Q4. (C) Analyze the factors that influence the strategic choice process.**

**(8)**

**(D) Explain the types of benchmarking.**

**(7)**

**Q5. (A) What are the different types of strategic control?**

**(8)**

**(B) Explain the importance of strategic evaluation.**

**(7)**

OR

**Q5. (C) Write short notes on: (Any 3)**

**(15)**

- a) The McKinsey 7s Framework
- b) SBU
- c) Digitalization strategies
- d) Gap Analysis
- e) Social Responsibilities of Business

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BBI  
17/11/2025

Time: 2.30 hrs

Marks: 75

**1 A State whether the following statements are True or False (Any 8)**

8

- 1) Audit program should be rigid
- 2) Test check reduces the workload of auditors
- 3) Internal audit can be done by employees of company
- 4) In window dressing assets are undervalued
- 5) Developing internal control is management's responsibility
- 6) Audits of small enterprises is voluntary
- 7) Error is intentional mistake in financial statement
- 8) Integrity is the main quality of auditor
- 9) Vouching means examining documentary evidence
- 10) Confidentiality means auditor should disclose the information of client to outsiders

**B Multiple Choice Question (Any 7)**

7

- 1) \_\_\_\_\_ is examination of records of some specific purpose
  - i) Accounting
  - ii) Investigation
  - iii) Auditing
  - iv) Marketing
- 2) When one error nullifies the effect of another is called as \_\_\_\_\_
  - i) Error of omission
  - ii) Mathematical error
  - iii) Error of principle
  - iv) Compensating error
- 3) Audit notebooks are very useful for the auditor to prepare \_\_\_\_\_
  - i) Audit program
  - ii) Audit plan
  - iii) Audit evidence
  - iv) Audit report
- 4) From the list of officers, auditors get to know the \_\_\_\_\_
  - i) Directors
  - ii) CEO
  - iii) Authorized signatories
  - iv) President
- 5) Internal auditors must report to \_\_\_\_\_
  - i) Management
  - ii) Shareholders
  - iii) Government
  - iv) SEBI
- 6) Test checking is suitable for \_\_\_\_\_ organizations
  - i) Small size
  - ii) Large size
  - iii) Private
  - iv) Government
- 7) \_\_\_\_\_ means the entire set of data from which sample has to be selected
  - i) Census
  - ii) Population
  - iii) Sample size
  - iv) Data collection
- 8) Debtors arise due to \_\_\_\_\_ transaction
  - i) Credit sales
  - ii) Cash sales
  - iii) Credit purchases
  - iv) Cash purchases
- 9) Vouchers should be \_\_\_\_\_ by concerned officer
  - i) Made
  - ii) Authorized
  - iii) Filed
  - iv) Stored
- 10) Outstanding expenses should be shown as \_\_\_\_\_ in Balance sheet
  - i) Fixed assets
  - ii) Loans
  - iii) Current liabilities
  - iv) Current assets

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BTI

15/10/2025

Duration: 2.5 hours

Marks: 75

Note: 1) All questions are compulsory.

2) Figures to the right indicate full marks

**Q.1A) Multiple Choice Questions. (Answer any Eight)**

(8)

1) The artificial currency created by IMF to be issued as supplementary reserve asset is called as \_\_\_\_\_.

a) SDR   b) Gold Coins   c) Paper Currency   d) Bitcoins

2) International Bank for Reconstruction and Development also popularly called \_\_\_\_\_.

a) World Bank   b) Monetary Fund   c) European Union   d) BWS

3) In \_\_\_\_\_ a foreign company issues a bond denominated in a currency which is not the home currency of the investors.

a) Foreign Bond   b) Euro Bond   c) Both of the above   d) None of the above

4) \_\_\_\_\_ allow foreign companies to mobilize funds from Indian Markets.

a) GDR   b) ADR   c) IDR   d) None of the above

5) An act which is enacted to regulate payments and foreign exchange in India, is \_\_\_\_\_.

a) FERA   b) FEMA   c) FEDAI   d) FIMMDA

6) Price of national currency in terms of foreign currency is \_\_\_\_\_ quote.

a) Direct   b) Indirect   c) Both of the above   d) None of the above

7) When a country experience \_\_\_\_\_ its interest rates are likely to fall.

a) Boom   b) Depression   c) Recession   d) None of the above

8) Trade between companies in two different countries is called as \_\_\_\_\_.

a) Domestic Trade   b) International Trade   c) Business   d) None of the above

9) The Bank which opens the letter of credit in favour of beneficiary is known as \_\_\_\_\_.

a) Issuing Bank   b) Advising Bank   c) Confirming Bank   d) None of the above

10) \_\_\_\_\_ stage is the first stage in the process of loan syndication.

a) Mandate   b) Pre-Mandate   c) Disbursement   d) Post-Disbursement

**Q.1.B) State whether the following statements are True or False: (Any Seven)**

(7)

1) International Finance is the branch of economics.

2) Bretton Woods Agreement lasted till 1981.

3) Euro Currency loans carry variable interest rates.

4) Zero Coupon bonds pay coupon interest annually.

5) Exchange brokers facilitate deal between banks.

6) Credit Risk refers to the risk that a government may default on its obligation.

- 7) The process of recording of transactions in virtual market is called as Mining.
- 8) A revocable letter of credit cannot be modified.
- 9) There is comparatively lesser risk while lending in International Market.
- 10) Asymmetric information occurs in a situation where both party in a transaction has similar information.

Q.2 A) Explain advantages of International Finance. (8)

B) Distinguish between FDI and FPI (7)

OR

Q.2.C) Discuss advantages of Eurobond Financing. (8)

D) Explain advantages and disadvantages of Gold Standard System. (7)

Q.3A) Explain Features of Foreign Exchange Market. (8)

B) Discuss features of International Banking. (7)

OR

Q.3.C) Distinguish between FERA and FEMA. (8)

D) Explain Risk faced by Corporates. (7)

Q.4A) Discuss Risk faced by Banks. (8)

B) Explain different types of Letter of Credit. (7)

OR

C) Calculate the outright forward rate from the following information. (8)

Sp ot USD/INR	78.0916-80.0123
1 Month	1200/1300
2 Month	1600/1820
3 Month	1740/1630
4 Month	1548/1480

D) Calculate Mid Rate, inverse quote and spread with following quote:

USD 1=GBP 0.8120/40

Q.5.A.Distinguish between Fixed Exchange Rate System and Flexible Exchange Rate System. (8)

B) Explain its advantages of FDI. (7)

OR

Q.5) Write short notes on: (Any Three) (15)

a) Components of BOP

b) Role of Credit Rating Agencies

c) Features of Bretton Woods System

d) Types of Foreign Bonds

e) Loan Syndication